

**Verizon New England Inc.
d/b/a Verizon Massachusetts
Commonwealth of Massachusetts**

D.T.E. 01-31

Respondent: Paula L. Brown
Title: Vice President-Regulatory

REQUEST: New England Public Communications Council, Inc., Set #1

DATED: May 14, 2001

ITEM: NEPCC On Page 4 of the Massachusetts Alternative Regulation Plan, filed on
1-1 April 12, 2001, you indicate that

"Rates and charges for all remaining intrastate retail services that the company offers under tariff will increase or decrease in response to market conditions. Pricing for these services will be at the discretion of the Company. (See Appendix A for a listing of all such services)."

Appendix A, at page 5, lists among its services subject to ARP Paragraph J the following: "PAL" "PAL Curb A Charge."

Please explain in detail how the Company's ability to price PAL and PAL Curb A Charge services at whatever level the Company deems appropriate (i.e., at the discretion of the Company) complies with the following:

1. The requirement for cost-based rates complying with the new services test set forth in the Payphone Orders.
2. The requirements of the Department's November 28, 2000 Order in

D.P.U./D.T.E. 97-88/97-18 (Phase II).

3. 47 U.S.C. § 276.

Please provide copies of any relevant FCC or Department Orders or rulings which support your response.

REPLY: As is the case with all other products and services covered by the proposed Alternative Regulation Plan, Verizon MA's ability to change

-2-

REPLY:
NEPCC 1-1 rates for PAL and PAL Curb A Charge services is subject to existing and future Federal and State statutes and regulations.
(cont'd)

Under the proposed plan Verizon MA is required to continue to file all proposed rate changes with the Department. Any party believing that a proposed change constitutes a violation of applicable law has the ability to challenge the proposal before the Department.